

The Third-Country Conundrum

GEORGE BUSH was one of many high officials who condoned or engaged in third-country fund-raising and "quid pro quo" arrangements designed to circumvent congressional restrictions on aid to the contras.

Ironically, Oliver North was the first to cut through Bush's bobbing and weaving on that question. North got busy pointing fingers as soon as jail time loomed. The core of his defense in his spring 1989 trial was that his off-the-books actions were authorized because all his higher-ups—including George Bush—were going off-the-books too. (The jury agreed and acquitted North on nine of the 12 charges, convicting him only of personal corruption, obstruction of justice and lying to Congress.)

During the North trial, documents that Congress hadn't seen, hadn't noticed or deliberately ignored now surfaced, providing new details of the off-the-books third-country arrangements which culminated in the arms-for-hostages, cash-to-the-contras deal. The notes of a key June 1984 meeting of top officials show Bush speaking up only once in 14 single-spaced pages, as the president, the CIA director, the secretaries of state and defense, the U.N. ambassador and the chairman of the Joint Chiefs, among oth-

From the Start, Bush Understood the Problem

ers, debate the propriety of asking third countries to help the contras once Congress cut off aid.

The word "impeachment" is bandied about, as officials refer to the constitutional restriction that only Congress is allowed to raise and spend funds. Bush's comment is: "The only problem that might come up is if the United States were to promise to give these third parties something in return so that some people might interpret this as some kind of an exchange."

Bush was absolutely right. The day after this meeting, Attorney General William French Smith told CIA Director William Casey that third-country solicitation was fine—as long as no U.S. dollars were involved, no quid pro quo (or "something in return," as Bush put it) was offered and Congress was informed. But none of these conditions were met, and no one at the meeting bothered to make sure they were.

Bush already knew—and Congress did not—that the Saudis had agreed at Robert McFarlane's request to donate to the con-

tras what ultimately totaled more than \$30 million. The North trial documents told the further story: Among other quid pro quos, the Reagan administration expedited aid to the Honduran generals, increased aid to Guatemala and established covert operations in support of the Costa Rican government—all in exchange for contra support and all without informing Congress.

The North trial documents showed that George Bush had personally announced one installment of the expedited aid to Honduras in a March 1985 trip to the region. That assertion elicited Bush's only substantive comment on Iran-contra since before the 1988 presidential election: "The word of the president of the United States is, there was no quid pro quo." Soon after this statement, however, researchers found further North trial exhibits that documented explicit quid pro quo memoranda on the Honduras trip, one initialed by President Reagan. In addition, a subsequent McFarlane memo apparently briefing Reagan for a visit by the Honduran president noted that "our security commitment" was regarded by the Hondurans "as the main quid pro quo for cooperating with the FDN" [the contras]. The Bush White House has had no further comment.

—Tom Blanton